

10/27/77

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THE PRESIDENT'S SCHEDULE

Thursday - October 27, 1977

8:15 Dr. Zbigniew Brzezinski - The Oval Office.

8:45 Mr. Frank Moore - The Oval Office.

10:00 Meeting with House and Senate Members
(30 min.) Concerning Steel Industry. (Mr. Frank Moore) - The East Room.

10:45 Senator Birch Bayh. (Mr. Frank Moore).
(10 min.) The Oval Office.

11:00 Mr. Jody Powell - The Oval Office.

12:30 Drop-by Oktoberfest - The South Grounds.

2:30 News Conference. (Mr. Jody Powell).
(30 min.) Room 450, EOB.

3:30 Congressman Dan Rostenkowski. (Mr. Frank
(15 min.) Moore) - The Oval Office.

3:55 Ambassador David D. Newsom. (Dr. Zbigniew
(5 min.) Brzezinski) - The Oval Office.

4:15 Honorable Nelson R. Rockefeller - Oval Office.

12/27/77

1

ACTION ON A NATIONAL ENERGY PLAN IS A TEST OF THE ABILITY OF OUR DEMOCRATIC SYSTEM OF GOVERNMENT TO RESPOND TO A RECOGNIZED THREAT BEFORE IT SERIOUSLY DAMAGES OUR NATION AND OUR ECONOMY, AND WE WILL ALL BE MEASURED BY THE COURAGE WE MUSTER TO FACE UP TO OUR ENERGY PROBLEM.

THE DEBATE ON THE NATIONAL ENERGY PLAN IS NOT A CONTEST BETWEEN THE EXECUTIVE BRANCH AND THE CONGRESS OR BETWEEN THE HOUSE OF REPRESENTATIVES AND THE SENATE. IT IS A TEST OF OUR NATIONAL WILL.

WE MUST PROTECT THE AMERICAN PEOPLE AND AVOID UNFAIR
WINDFALL PROFITS.

WE MUST MEET OUR STATED OBJECTIVES ON CONSERVATION, PRODUCTION,
AND A SHIFT TO OTHER ENERGY SOURCES AWAY FROM OIL AND NATURAL GAS.

WE MUST NOT LET THE ENERGY PROGRAM BREAK THE FEDERAL BUDGET.

NOTHING LESS IS AT STAKE THAN OUR ABILITY TO ACT
INDEPENDENTLY AS A NATION:

-- WE CANNOT ALLOW UNCERTAIN FOREIGN OIL SOURCES TO OBTAIN
A STRANGLEHOLD OVER THE U.S.

-- WE CANNOT CONTINUE TO IMPORT \$45 BILLION WORTH OF OIL ANNUALLY -- ALMOST ONE-HALF OF OUR TOTAL OIL CONSUMPTION.

-- WE CANNOT LET THIS EXCESSIVE DEPENDENCE ON FOREIGN OIL CONTINUE TO INCREASE OUR TRADE DEFICIT, DRAIN PURCHASING POWER FROM OUR CITIZENS, AND AFFECT OUR ECONOMIC STABILITY.

BOTH THE CONGRESS AND I KNOW THAT ENACTMENT OF COMPREHENSIVE ENERGY LEGISLATION MUST BE OUR TOP PRIORITY.

AS YOU KNOW, I HAD PLANNED BY NOW TO SEND TO THE CONGRESS
A MAJOR TAX REFORM PROGRAM. ALTHOUGH MOST OF THE WORK HAS NOW
BEEN DONE, I HAVE DECIDED TO SUBMIT THAT PROGRAM AFTER CONGRESS
COMPLETES ITS WORK ON SOCIAL SECURITY AND ENERGY LEGISLATION.

THE CONGRESS NOW NEEDS AN OPPORTUNITY TO CONCENTRATE ITS
ATTENTION MORE FULLY ON OUR ENERGY PROGRAM.

MY STAFF AND I WILL HAVE MORE TIME TO WORK CLOSELY WITH
THE CONGRESS AND WITH LABOR AND BUSINESS LEADERS ON THE DIFFICULT
DECISIONS TO BE MADE.

WE HAVE AN EARLY NEED TO SIMPLIFY THE TAX SYSTEM, TO INCREASE FAIRNESS AND EQUITY, AND TO IMPROVE CAPITAL FORMATION.

THE TAX REFORM PROPOSALS WILL BE A MAJOR ELEMENT IN A COMPREHENSIVE ECONOMIC PROGRAM DESIGNED TO PROMOTE A STRONG ECONOMY AND A FURTHER REDUCTION IN INFLATION AND UNEMPLOYMENT OVER THE YEARS AHEAD.

THE PRINCIPAL COMPONENTS OF THAT PROGRAM HAVE TO BE CAREFULLY INTEGRATED INTO OUR BUDGETARY PLANS FOR 1979 AND OUR LONGER-RANGE BUDGET PROJECTIONS.

I PREFER TO MAKE THESE FINAL DECISIONS ON THE TAX REFORM PROGRAM AFTER THE CONGRESS HAS COMPLETED ACTION ON THE ENERGY PROGRAM AND ON REFORMS OF SOCIAL SECURITY FINANCING -- BOTH OF WHICH HAVE VERY SIGNIFICANT EFFECTS ON THE FEDERAL BUDGET AND ON TAXATION.

BY THE END OF THE YEAR WE WILL HAVE MORE INFORMATION ON THE STATE OF THE ECONOMY. THIS INFORMATION WILL BE PARTICULARLY IMPORTANT IN SHAPING MY RECOMMENDATIONS REGARDING THE EFFECTIVE DATE FOR REDUCTIONS IN TAXES INCLUDED IN THE TAX REFORM PROPOSALS.

I HAVE DISCUSSED THIS DECISION WITH CONGRESSIONAL LEADERS
AND THEY CONCUR WITH IT.

#

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THE WHITE HOUSE
WASHINGTON

10-27-77

To Jack

Prepare a brief written
plan for the series of
meetings with business
leaders & present it to
me.

Consult with Mike,
Juanita, Bob Strauss, Tim
McIntyre, Charlie, Ann
& Stu -

Jimmy

cc: Those mentioned

3:30 Pm
C

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

October 26, 1977

MEETING WITH REP. DAN ROSTENKOWSKI (D-ILL. 8)

Thursday, October 27, 1977

3:30 p.m. (15 minutes)

The Oval Office

From: Frank Moore *f.m.*

I. PURPOSE

To discuss matters of personal interest to Rep. Rostenkowski, including energy and the presentation of a book entitled, Kosciuszko Letters in the American Revolution.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

- A. Background: This meeting was requested by Rep. Rostenkowski. He would like to discuss the political considerations surrounding the energy legislation. Rep. Rostenkowski would, also, like to present the above-named book to you, which was made available by the Polish Museum of America located in Chicago, Illinois, and have an official photograph taken of the presentation.
- B. Participants: The President, Rep. Dan Rostenkowski, Frank Moore, and Bill Cable.
- C. Press Plan: White House photographer.

III. TALKING POINTS

- 1. Listening, primarily.

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THE WHITE HOUSE
WASHINGTON
October 27, 1977

Bob Lipshutz
Stu Eizenstat

The attached CAB Orders were returned in the President's outbox today and are forwarded to you for your information. The signed original has been given to Bob Linder for appropriate handling.

Rick Hutcheson

RE: DOCKET 30698 - MAERSK AIR I/S
DOCKET 31526 - ROYAL DUTCH AIRLINES

cc: Bob Linder

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
/		EIZENSTAT
		JORDAN
/		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
/	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

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WASHINGTON

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/	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT *Stu*
BOB LIPSHUTZ

SUBJECT: CAB Decision: Royal Dutch Airlines;
Docket 31526

The CAB decision suspends discount fares filed by Dutch and Belgian airlines for North Atlantic routes. The suspension is effective only until ad hoc agreements are signed by the Dutch and Belgians permitting us to suspend the fares at a later time if necessary to protect charter carriers from being driven out of business. Charter carriers may need that protection until we get more liberal charter agreements with other countries.

The effect of the CAB order is to permit the discount fares to become effective after ad hoc agreements--which will serve as a hedge against predatory competition--have been negotiated. The State Department says that ad hoc agreements will be completed with the countries very soon.

The fares in question are similar to those which you approved last month for U.S.-U.K. routes. We recommended that you approve the discounts in part because we had reached a similar ad hoc agreement with the British.

The CAB solicited the advice of the Departments of State and Transportation before making its decision, and its order follows their advice. All agencies support the Board's order. We recommend that you approve it by taking no action before October 27, 1977.

Approve ✓

Disapprove

JC

THE WHITE HOUSE
WASHINGTON

MEMORANDUM FOR: THE PRESIDENT .
FROM: STU EIZENSTAT *Stu*
BOB LIPSHUTZ
SUBJECT: CAB Decision Docket 30698 - Maersk Air I/S

This is a routine decision renewing a foreign air carrier permit held by Maersk, a Danish air carrier, to engage in charter foreign air transportation.

All agencies recommend that you approve the order where indicated.

Approve

☒

Disapprove

☐

10:30 AM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

October 26, 1977

MEETING WITH SENATOR BIRCH BAYH

Thursday, October 26, 1977
10:30 a.m. (10 minutes)
The Oval Office

From: Frank Moore *FM.*

- I. PURPOSE
To discuss a matter of intelligence.
- II. BACKGROUND, PARTICIPANTS & PRESS PLAN
- A. Background: The Senator requested this meeting to discuss an intelligence matter with you.
- B. Participants: The President
Senator Birch Bayh (D-Ind)
Frank Moore
- C. Press Plan: White House Photo.
- III. TALKING POINTS
None necessary.

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EYES ONLY FOR THE PRESIDENT

from Charlie Schultze

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THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

EYES ONLY

October 27, 1977

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze *CLS*
Subject: Leading Economic Indicators for September

The Commerce Department, tomorrow at 9:30 a.m., will release the preliminary figures for the "leading economic indicators." As you know, I don't put much stock in this series as an economic forecasting device, but the newspapers play it up.

In September, the leading index edged up by 0.3 percent. The August leading indicators were revised up to a healthy 1.4 percent gain. There are ten individual series averaged together to form the preliminary estimate of the leading index. Of these ten, six declined while four advanced, but the larger size of the gainers outweighed the declines.

A large September growth in the money supply and in the stock of liquid assets held by individuals contributed heavily towards the overall increase. Paradoxically, a growth in the money supply -- which tends to cause the Fed to raise interest rates -- is shown as a positive sign. Similarly, the index of raw materials prices rose and is also shown as a positive sign.

We have now had three months of increases in the leading indicators (July, 0.1; August, 1.4; September, 0.3). This should help dispel the idea that the economy is heading towards a downturn.

I am suggesting to Jody that if asked at the press conference he note the three months of increases and indicate that economic growth is continuing, but not make a big thing out of the September increase in the leading index.

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

October 27, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Jack Watson
Bruce Kirschenbaum

SUBJECT: STATUS REPORT ON
LONGSHOREMEN'S STRIKE

The attached report was provided today by Ray Marshall's Office. Robert Blackwell, Assistant Secretary of Commerce for the Maritime Administration, concurs in its conclusion that no federal intervention is needed at this point. In fact, he believes that there is, at present, no substantive basis upon which to obtain a Taft-Hartley injunction.

Blackwell further indicates that we are at least ten days away from an "emergency" situation in Puerto Rico, and that the Island's situation at that time would probably be the basis for a request for an injunction. He suspects that the Governor of Puerto Rico may try to call you on Monday or Tuesday to seek federal intervention, and he recommends that such action be resisted. I shall handle Governor Romero Barcelo's call if you want me to do so.

Labor and Commerce are continuing to monitor the situation very closely and are paying special attention to the conditions in Puerto Rico. I shall stay in close touch with both Departments on the matter.

Attachment

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U.S. DEPARTMENT OF LABOR
OFFICE OF THE ASSISTANT SECRETARY
WASHINGTON

MEMORANDUM FOR: THE PRESIDENT

FROM: THE SECRETARY OF LABOR *Ray*

SUBJECT: Longshore Dispute on the East and Gulf Coast

Director of the Federal Mediation and Conciliation Service, Wayne Horvitz, has advised me that he has recessed the negotiations, subject to his recall, as it appears that a serious impasse has developed in the longshore dispute now entering its fourth week.

The major bottleneck in the negotiations is the union's desire to have a job security program in ports from Maine to Texas. The majority of the Port Associations have been reluctant to join "national bargaining" and have been protecting their local interest by refusing to meet jointly with the active coastwide union Bargaining Committee. New Orleans refused to meet with anyone but its local New Orleans union committee. The West Gulf and Mobile group took the same basic position but did continue discussions with other employer groups.

By this past weekend it became clear that it was not possible for management to present a proposal that would have the agreement of even all the CONASA (Council of North Atlantic Shipping Association) members that would meet the union's demands for the job security issue. Consequently, James Dickman (who served as President of the New York Shipping Association as chief spokesman for CONASA) resigned his CONASA affiliation; he and Mr. Heine, President of U.S. Lines, made a proposal on behalf of the New York Shipping Association and carrier members representing well over 100 carriers that serve the East and Gulf (but not three major carriers in the Gulf) Coasts. This proposal was acknowledged by the union as a start.

However, new snags have developed in regard to this latest proposal which are particularly divisive: (1) a commitment to "bona fide" guaranteed annual income plans for all ports, and (2) joint administration of all the funds in all ports. The union contends that employers have not

honored prior commitments in certain ports as to the disposition of funds. The carriers feel that they are not in a legal position to enforce such an agreement if individual ports from Maine to Texas would not agree to the union's demand. Furthermore, on Tuesday, October 25, the remaining CONASA Ports reassembled in Philadelphia, elected a new President, and met with Mr. Gleason on Wednesday, October 26.

Mr. Horvitz has been in constant touch with all parties since the latest breakdown of negotiations on Monday and will continue to monitor their positions to see if there is any potential for recommending negotiations. Mr. Gleason has announced that the ILA will continue the selective strike against automated carriers.

It appears that both sides are frustrated in their attempts to find a common ground for bargaining. However, that common ground is complicated by the history of negotiations in this industry and by the fact that for the first time the parties are facing demands on a broader scale than ever before.

An additional factor in these negotiations is that in the past the Government has attempted, and in some cases succeeded, in bailing out the parties because of political pressure, either by the use of a Taft-Hartley injunction or other methods. However, there appears to be little reason to consider direct governmental intervention at this juncture.

The economic impact of the strike has not reached crisis proportions. To date the heaviest losses have been to the carriers themselves who are and will be losing millions of dollars a week. Undoubtedly, serious disruptions in the delivery of goods has resulted in losses for many individual concerns. However, the ILSA has continued to unload break-bulk goods and military equipment. The complete shutdown of the Port of New Orleans that threatened our grain exports has ceased and local ILA members are now following the dictates of the international and only refusing to handle the automated cargo.

The major pressure point to the Government for the moment will be the Commonwealth of Puerto Rico. This island is completely dependent on imports from the mainland and 78 percent of the cargo is containerized. Initial reports of rice shortages were found to be exaggerated as much of

this staple is delivered in break-bulk carriers. However, serious shortages in several commodities, such as fish and vegetables, are apparent and serious. A prolonged strike will have serious ramifications for their economy as they must import the bulk of their raw materials for their industries. Already facing a serious unemployment situation of 21 percent, a prolonged strike threatens many of their industrial workers. We have initiated direct contacts with the Puerto Rican Government and will monitor developments on a daily basis and keep your office informed.

THE WHITE HOUSE
WASHINGTON

October 27, 1977

Frank Moore

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Stu Eizenstat
Charles Schultze

RE: ANNOUNCEMENT OF DECISION TO
POSTPONE SUBMISSION OF
TAX REFORM PROPOSALS

Acti --
copy has been
given to Frank -
-- K

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
✓		EIZENSTAT
		JORDAN
		LIPSHUTZ
✓		MOORE
		POWELL
		WATSON
		LANCE
✓		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

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THE PRESIDENT HAS SEEN.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

*Frank -
Call others
JC*

October 26, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Stu Eizenstat *Stu*
Charlie Schultze *CLS*

SUBJECT: Announcement of decision to postpone submission
of tax reform proposals

We are attaching a suggested opening statement for your
press conference tomorrow.

It starts with a short piece on the urgency and importance
of getting a good energy program and then announces that the
tax reform package will be submitted in January.

We suggest:

1. If you have not already done so, you call
Mike Blumenthal to inform him of this. *done*
2. You call Senator Byrd, Speaker O'Neill, and
Chairmen Long and Ullman, or have Frank do so. *done*

attachment

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10:00 AM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

C

October 26, 1977

MEETING WITH HOUSE AND SENATE STEEL CAUCUSES

Thursday, October 27, 1977
10:00 a.m. (30 minutes)
East Room

From: Frank Moore *Fm*
Jack Watson

I. PURPOSE

To discuss the problems affecting the steel industry.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

Background: To be provided by Jack Watson/Bruce Kirschenbaum.

Agenda for the meeting:

9:30-10 Briefing for the Members by Special Trade Representative Robert Strauss and representatives of Commerce, Labor and Treasury.

10-10:30 Presentation to the President by Steel Caucus Officers.

Participants: See attached list.

Press Plan: White House Photographer.

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BACKGROUND
AND TALKING POINTS

III. BACKGROUND

A. Bob Strauss will act as moderator of the meeting. He will introduce three Cabinet officials who will briefly (4-5 minutes each) describe their agency's involvement with the steel issue.

1. Deputy Secretary of Treasury Bob Carswell will mention the Solomon Task Force and talk about Treasury's handling of the dumping cases (see Treasury's briefing paper attached).
2. Undersecretary Sidney Harman will describe Commerce's role in assisting communities impacted by steel industry cut-backs, with specific reference to the two-day conference EDA held last week with state and local officials.
3. Undersecretary Bob Brown will explain Labor's role in providing unemployment payments on an expedited basis.

After the three presentations, there will be approximately fifteen minutes for Congressional questions before your arrival. When you arrive, Bob Strauss will call upon three Senators to give brief remarks: Senators Glenn, Metzenbaum, and Moynihan. He will then ask the Steel Caucus of the House to make their presentation:

1. Charles Carney (D. Ohio), Chairman of the Caucus will give a brief introduction.
2. Joseph Gaydos (D. Pa.) - Steel Caucus Resolution (attached).
3. Ralph Regula (R. Ohio) - Actions Restricting Imports.
4. Charles Vanik (D. Ohio) - Immediate and Long-Zerm Remedies.
5. John Buchanan (R. Ala.) - Reciptrocity in Trade Relations.
6. John Dent (D. Pa.) - Overall Trade Situation.

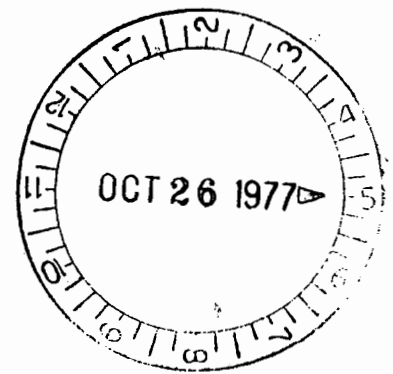
B. Talking Points. See attached memorandum from Bob Carswell.



THE SECRETARY OF THE TREASURY

WASHINGTON 20220

October 26, 1977



MEMORANDUM FOR THE PRESIDENT

SUBJECT: Briefing for Your Meeting with the Steel Caucus
Thursday, October 27, 1977/East Room

Since your White House conference on steel last week, a number of relevant events have occurred.

Anti-Dumping Cases

In the last week all of the following have occurred:

1. Initiation of anti-dumping investigation against Japanese producers of a broad range of steel products - \$1.2 billion of imports in 1976 (four U.S. Steel petitions).
2. Initiation of anti-dumping investigation against French producers of wire rod - \$40 million of imports in 1976. (Georgetown Steel petition)
3. Filing of six petitions against six European Community member states' producers of carbon steel sheets - \$211 million of imports in 1976. (National Steel)
4. Filing of a petition against Republic of Korea producers of steel wire rope - \$12.6 million of imports in 1976. (Broderick & Bascom Rope Co.)
5. Filing of a petition against Japanese and Indian producers of steel wire strand for pre-stressed concrete - \$33 million of imports in 1976. (Armco and others)

Steel Profits

In the last three days earnings reports have been announced by five major steel companies all of which show significant reductions in earnings in the third quarter. They are:

Bethlehem	A \$477 million extraordinary loss (mostly from write-offs of obsolete facilities) as compared to \$45 million profit
U.S. Steel	down 76% to \$27 million
Armco	down 8% to \$32 million
National	down 54% to \$13.6 million
Wheeling-Pittsburgh	down to a loss of \$4.6 million from a profit of \$3.4 million

In view of these developments your talking points of last week require amendment. In particular, in the dumping area I would suggest that you point out that expeditious treatment has already been given in all pending steel dumping cases. However, I would suggest, that you play down the desirability of focusing our steel program in the dumping area. The reason for this is that dumping cases when filed by private parties are difficult for the government to control. Thus we may not be in a position to negotiate arrangements with foreign steel producers because our domestic companies may refuse to drop the dumping cases. Accordingly we would suggest that you restrict your comments about dumping and recent developments to the following:

TALKING POINTS

- I fully understand that the recent earnings reported by the steel companies underline the need for expeditious action in this area and we will move to see that that happens.
- In the last week the Treasury Department has moved to process all pending steel dumping cases and will continue to handle them in accordance with the statutory requirements. The Task Force headed by Under Secretary Solomon will be considering measures complementary to the statute. One of our principal objectives is, of course, to protect American producers from unfair trade practices.
- The Task Force headed by Under Secretary Solomon is making progress. It is not a study group but an action group, and we are hopeful it will be able to make recommendations in the last week of November.

A handwritten signature in black ink, appearing to read "Bob Carswell". The signature is fluid and cursive, with a large loop at the end of the last name.

Robert Carswell
Acting Secretary

TO THE PRESIDENT OF THE UNITED STATES

Whereas the steel industry of the United States of America and its skilled employees have been and should continue to be a basic industry in our national economy, and

Whereas the continued economic health of the steel industry in the United States of America is vital to the economic well-being and security of the whole nation, and

Whereas the economic well-being and national security of the United States are vital to the economic stability and peace of the world because of the position the United States of America holds in the free world, and

Whereas the immediate economic viability of the steel industry of the United States and the ability of the nation's industry to compete in steel-consuming markets here and throughout the world are affected by export volumes and pricing policies of other steel producing nations of the world, and therefore,

Whereas world peace and economic stability are threatened by conditions in the world steel market, and

Whereas the President of the United States and agencies under his administration in the Executive Branch have inherent authority as well as specific authority granted him by Congress under various laws, including the Trade Act of 1974, to take action in such circumstances to provide relief to adversely affected United States industries and their employees, and

Whereas recent Presidents of both parties have taken action under their inherent and specific authorities of the applicable statutes, and

Whereas Congress and the Administration need time to deliberate wisely on the longer range issues involved in the problems of the steel industry of the United States of America rather than having Congress act precipitately and unilaterally to provide prompt relief for this problem, now therefore,

Be it resolved that the President of the United States determine the inherent or legislative authority he has and use such authorities of his office as he may deem prudent to provide temporary relief of the nation's steel industry and its work force from the adverse effects of the present situation in the world trade in steel.

PARTICIPANTS

PARTICIPANTS
Congressional Steel Caucus
October 27, 1977

The President
Amb. Robert Strauss-Special
Trade Representative
Robert Brown-Under Secretary
of Labor
Nik Edes-Deputy Under Secretary
of Labor for Legislation
Sidney Harman-Under Secretary
of Commerce
Harold Williams-Deputy Assistant
Secretary of Commerce for
Economic Development
Paul O'Day-Bureau of Resources and
Trade Assistance (Commerce)
Andy Manatos-Counselor to the Secretary
of Commerce for Congressional Affairs
Frank Moore
Bill Cable
Dan Tate
Jack Watson

MEMBERS-HOUSE OF REPRESENTATIVES

Rep. Joseph Addabbo (D-NY-7)	Rep. Lawrence Coughlin (R-Pa-13)
Rep. Joseph Ammerman (D-Pa-23)	Rep. John Cunningham (R-Wash-7)
Rep. Frank Annunzio (D-Ill-11)	Rep. John Dent (D-Pa-21)
Rep. Douglas Applegate (D-Ohio-18)	Rep. Edward Derwinski (R-Ill-4)
Rep. John Ashbrook (R-Ohio-17)	Rep. John Duncan (R-Tenn-2)
Rep. Les AuCoin (D-Oregon-1)	Rep. Robert Duncan (D-Ore-3)
Rep. Robert Bauman (R-Md-1)	Rep. Joseph Early (D-Mass-3)
Rep. Adam Benjamin (D-Ind-1)	Rep. Robert Edgar (D-Pa-7)
Rep. Tom Bevill (D-Ala-4)	Rep. Joshua Eilberg (D-Pa-4)
Rep. Mario Biaggi (D-NY-10)	Rep. Allen Ertel (D-Pa-17)
Rep. Michael Blouin (D-Iowa-2)	Rep. Dave Evans (D-Ind-6)
Rep. Clarence Brown (R-Ohio-7)	Rep. Frank Evans (D-Colo-3)
Rep. George Brown (D-Calif-36)	Rep. Millicent Fenwick (R-NJ-5)
Rep. James Broyhill (R-NC-10)	Rep. Floyd Fithian (D-Ind-2)
Rep. John Buchanan (R-Ala-6)	Rep. Daniel Flood (D-Pa-11)
Rep. James Burke (D-Mass-11)	Rep. Walter Flowers (D-Ala-7)
Rep. Bruce Caputo (R-NY-23)	Rep. John Flynt (D-Ga-6)
Rep. Charles Carney (D-Ohio-19)	Rep. L.H. Fountain (D-NC-2)
Rep. John Cavannaugh (D-Neb-2)	Rep. Robert Gammage (D-Texas-22)
Rep. E. Thomas Coleman (R-Mo-6)	Rep. Joseph Gaydos (D-Pa-20)
Rep. John Conyers (D-Mich-1)	Rep. Benjamin Gilman (R-NY-26)
Rep. David Cornwell (D-Ind-8)	Rep. Willis Gradison (R-Ohio-1)

Participants
(Con't)

Rep. James Hanley (D-NY-32)	Rep. Tom Railsback (R-Ill-19)
Rep. Michael Harrington (D-Mass-6)	Rep. Ralph Regula (R-Ohio-16)
Rep. William Harsha (R-Ohio-6)	Rep. Ted Risenhoover (D-Okla-2)
Rep. Elwood Hillis (R-Ind-5)	Rep. Robert Roe (D-NJ-8)
Rep. Ken Holland (D-SC-5)	Rep. Fred Rooney (D-Pa-15)
Rep. Elizabeth Holtzman (D-NY-16)	Rep. Charles Rose (D-NC-7)
Rep. Richard Ichord (D-Mo-8)	Rep. Dan Rostenkowski (D-Ill-8)
Rep. John Jenrette (D-SC-6)	Rep. Philip Ruppe (R-Mich-11)
Rep. James Jones (D-Ikla-1)	Rep. Marty Russo (D-Ill-3)
Rep. Jack Kemp (R-NY-38)	Rep. Jim Santini (D-Nev-at large)
Rep. Thomas Kindness (R-Ohio-8)	Rep. James Scheuer (D-NY-11)
Rep. Peter Kostmayer (D-Pa-8)	Rep. Richard Schulze (R-Pa-5)
Rep. John LaFalce (D-NY-36)	Rep. George Shipley (D-Ill-22)
Rep. Raymond Lederer (D-Pa-3)	Rep. Bud Shuster (R-Pa-9)
Rep. Joseph LeFante (D-NJ-14)	Rep. John Slack (D-W.Va.-3)
Rep. Jim Lloyd (D-Calif-35)	Rep. J. William Stanton (R-Ohio-11)
Rep. Clarence Long (D-Md-2)	Rep. Louis Stokes (D-Ohio-21)
Rep. Tom Luken (D-Ohio-2)	Rep. Samuel Stratton (D-NY-28)
Rep. Stanley Lundine (D-NY-39)	Rep. Gene Taylor (R-Mo-7)
Rep. Robert McClory (R-Ill-13)	Rep. Charles Vanik (D-Ohio-22)
Rep. Joseph McDade (R-Pa-10)	Rep. Bruce Vento (D-Minn-4)
Rep. Robert McEwen (R-NY-30)	Rep. Doug Walgren (D-Pa-18)
Rep. Gunn McKay (D-Utah-1)	Rep. Robert Walker (R-Pa-16)
Rep. Marc Marks (R-Pa-24)	Rep. William Walsh (R-NY-33)
Rep. Dan Marriott (R-Utah-2)	Rep. James Weaver (D-Ore-4)
Rep. Dawson Mathis (D-Ga-2)	Rep. Charles Wilson (D-Texas-2)
Rep. Ralph Metcalfe (D-Ill-1)	Rep. Gus Yatron (D-Pa-6)
Rep. Robert Michel (R-Ill-18)	Rep. Leo Zeferetti (D-NY-15)
Rep. Barbara Mikulski (D-Md-3)	
Rep. Clarence Miller (R-Ohio-10)	
Rep. George Miller (D-Calif-7)	
Rep. Robert Mollohan (D-W.Va.-1)	
Rep. Carlos Moorhead (R-Calif-22)	
Rep. Ronald Mottl (D-Ohio-23)	
Rep. Austin Murphy (D-Pa-22)	
Rep. Morgan Murphy (D-Ill-2)	
Rep. John Murtha (D-Pa-12)	
Rep. Gary Myers (R-Pa-25)	
Rep. Michael Myers (D-Pa-1)	
Rep. William Natcher (D-Ky-2)	
Rep. Robert Nix (D-Pa-2)	
Rep. Richard Nolan (D-Minn-6)	
Rep. Henry Nowak (D-NY-37)	
Rep. Mary Rose Oakar (D-Ohio-20)	
Rep. James Oberstar (D-Minn-8)	
Rep. George O'Brien (R-Ill-17)	
Rep. Edward Pattison (D-NY-29)	
Rep. Donald Pease (D-Ohio-13)	
Rep. Carl Perkins (D-Ky-7)	
Rep. Melvin Price (D-Ill-23)	
Rep. Carl Pursell (R-Mich-20)	
Rep. Nick Rahall (D-W. Va.-4)	

SENATORS

Senator James Allen (D-Ala)
Senator Birch Bayh (D-Ind)
Senator Wendell Ford (D-Ky)
Senator Jake Garn (R-Utah)
Senator John Glenn (D-Ohio)
Senator Orrin Hatch (R-Utah)
Senator John Heinz (R-Pa)
Senator Walter Huddleston (D-Ky)
Senator Jacob Javits (R-NY)
Senator Richard Lugar (R-Ind)
Senator James McClure (R-Idaho)
Senator Howard Metzenbaum (D-Ohio)
Senator Daniel Moynihan (D-NY)
Senator Charles Percy (R-Ill)
Senator Jennings Randolph (D-W.Va.)
Senator Richard Schweiker (R-Pa)
Senator John Sparkman (D-Ala)
Senator Adlai Stevenson (D-Ill)

THE WHITE HOUSE
WASHINGTON

October 27, 1977

Charles Schultze

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

cc: Stu Eizenstat
Jody Powell

RE: SEPTEMBER FOREIGN TRADE
RESULTS

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
	/	EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
	/	POWELL
		WATSON
		LANCE
/		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

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Good!
J

October 27, 1977

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze ^{QCS}
Subject: September Foreign Trade Results

Today's Census announcement on the merchandise trade for September shows a sizable drop in our deficit. While the average deficit in the first eight months of 1977 ran at \$2.2 billion per month, and August was \$2.7 billion, September's deficit was only \$1.7 billion.

The reasons for the moderation were:

- o A surge of exports in virtually all important categories -- machinery, appliances, chemicals, crude materials, agriculture -- led to a record high in exports.
- o A continued moderation of non-oil imports.
- o Excluding oil imports, our trade showed a surplus of \$2.2 billion in September.

On the other hand, oil imports for September were up from the August lull, continuing at the rate of about \$48 billion per year of imports.

Interpretation

We should not read too much into one month's statistics. They do indicate, however, that the extremely rapid growth of imports in the first half of 1977 may have abated. The growth in exports is also very welcome, but again we cannot conclude that a new trend has set in from this one month's performance. It is possible -- although we have no firm evidence -- that some of the September surge in exports was in anticipation of the dock strike which started October 1.

The figures also show, again, that the major problem in our foreign trade is oil imports -- a point you might wish to stress at your press conference.

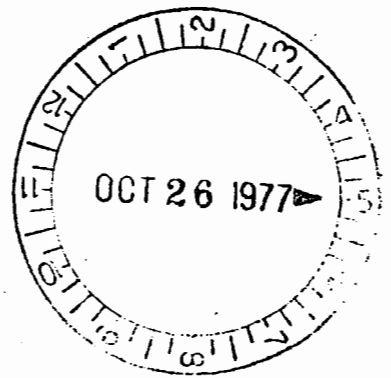
A final note: The next couple of months' data may be badly distorted by the strike. Thus, we will not have any further clear data on our overall trade balance for at least three months.



THE SECRETARY OF THE TREASURY

WASHINGTON 20220

October 26, 1977



MEMORANDUM FOR THE PRESIDENT

SUBJECT: Briefing for Your Meeting with the Steel Caucus
Thursday, October 27, 1977/East Room

Since your White House conference on steel last week, a number of relevant events have occurred.

Anti-Dumping Cases

In the last week all of the following have occurred:

1. Initiation of anti-dumping investigation against Japanese producers of a broad range of steel products - \$1.2 billion of imports in 1976 (four U.S. Steel petitions).
2. Initiation of anti-dumping investigation against French producers of wire rod - \$40 million of imports in 1976. (Georgetown Steel petition)
3. Filing of six petitions against six European Community member states' producers of carbon steel sheets - \$211 million of imports in 1976. (National Steel)
4. Filing of a petition against Republic of Korea producers of steel wire rope - \$12.6 million of imports in 1976. (Broderick & Bascom Rope Co.)
5. Filing of a petition against Japanese and Indian producers of steel wire strand for pre-stressed concrete - \$33 million of imports in 1976. (Armco and others)

Steel Profits

In the last three days earnings reports have been announced by five major steel companies all of which show significant reductions in earnings in the third quarter. They are:

Bethlehem	A \$477 million extraordinary loss (mostly from write-offs of obsolete facilities) as compared to \$45 million profit
U.S. Steel	down 76% to \$27 million
Armco	down 8% to \$32 million
National	down 54% to \$13.6 million
Wheeling-Pittsburgh	down to a loss of \$4.6 million from a profit of \$3.4 million

In view of these developments your talking points of last week require amendment. In particular, in the dumping area I would suggest that you point out that expeditious treatment has already been given in all pending steel dumping cases. However, I would suggest, that you play down the desirability of focusing our steel program in the dumping area. The reason for this is that dumping cases when filed by private parties are difficult for the government to control. Thus we may not be in a position to negotiate arrangements with foreign steel producers because our domestic companies may refuse to drop the dumping cases. Accordingly we would suggest that you restrict your comments about dumping and recent developments to the following:

TALKING POINTS

- I fully understand that the recent earnings reported by the steel companies underline the need for expeditious action in this area and we will move to see that that happens.
- In the last week the Treasury Department has moved to process all pending steel dumping cases and will continue to handle them in accordance with the statutory requirements. The Task Force headed by Under Secretary Solomon will be considering measures complementary to the statute. One of our principal objectives is, of course, to protect American producers from unfair trade practices.
- The Task Force headed by Under Secretary Solomon is making progress. It is not a study group but an action group, and we are hopeful it will be able to make recommendations in the third week of November.



Robert Carswell
Acting Secretary

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Quotas - Trade agreements
Trade^(employees) adjustment - major new program
Specialty steel restraint
Productivity lower
Help & anti dumping suits

21% → 18%

Trade adjustment

EDA

Tax measures

Pollution - predictable

Multinational

Solomon study - no easy answers
Level headed! multiple problem

Wife
beating

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THE WHITE HOUSE
WASHINGTON

October 27, 1977

Stu Eizenstat

The attached letter was returned
in the President's outbox today
and is forwarded to you for
your information and for delivery.

Rick Hutcheson

RE: THE BAKKE CASE - LETTER TO
MR. RICHARD MAASS, PRESIDENT
OF AMERICAN JEWISH COMMITTEE

THE WHITE HOUSE


WASHINGTON

October 26, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT 

SUBJECT:

The Bakke Case

As you know, the brief filed in the Bakke Case by the government was generally applauded by black groups and civil rights organizations. It was not as warmly received, however, by many ethnic and Jewish groups, which felt the brief barely mentioned our opposition to rigid racial quotas in the admissions or any other context.

When the brief was being finally revised, we urged the Justice Department, with your approval, to indicate strongly that racial quotas were unconstitutional. Unfortunately, the Department only added one relatively mild anti-quota sentence before filing the brief. For that reason, many Jewish groups were disappointed with the brief, and some have issued statements condemning our position.

Some of our supporters believe it would be very helpful, if you were to respond to the request of the American Jewish Committee, which has not publicly attacked our brief, for a statement on your views about affirmative action. I have prepared a letter stating your views briefly and referring to the Bakke brief. I believe this letter would be well received by the American Jewish Committee, which is holding its annual meeting later this week. The letter is drafted in response to an earlier letter from the Committee's president, Richard Maass, sending you the Committee's statement on affirmative action (attached) and seeking a response.

THE WHITE HOUSE

WASHINGTON

To Richard Maass

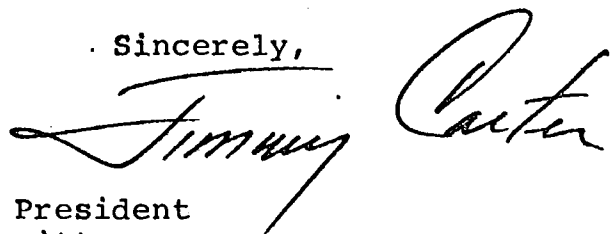
I appreciate your informing me of the American Jewish Committee's strong support for affirmative action programs.

As you may know, I share the Committee's view that such programs are necessary if all Americans are to be assured equal educational and employment opportunities. My commitment to affirmative action programs was made clear during the campaign. Since taking office, I have honored that commitment through a number of actions designed to ensure that minorities have an equal opportunity to participate fully in our society.

One of the most recent of those actions was the filing of an amicus brief by the Administration in the Bakke case. That brief firmly supported affirmative action programs as a way to overcome the effects of prior discrimination. By contrast, the brief recognized that programs using rigid, racial quotas, are exclusionary and therefore unconstitutional. I support the position which the brief took, recognizing the distinction between flexible affirmative action programs using goals and inflexible racial quotas. It is my understanding that you take the same position.

The American Jewish Committee's interest in this vital issue is appreciated.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jimmy Carter". The signature is fluid and cursive, with the first name "Jimmy" and the last name "Carter" clearly distinguishable.

Mr. Richard Maass, President
American Jewish Committee
165 East 56th Street
New York, New York 10022

THE AMERICAN JEWISH COMMITTEE

STATEMENT ON AFFIRMATIVE ACTION

The American Jewish Committee is committed to helping eliminate discrimination and achieve full civil rights for all Americans, regardless of race, creed, color, sex or national origin. However, experience has demonstrated that the legal requirement of non-discrimination is by itself not sufficient to erase within the foreseeable future the accumulated burdens imposed on the disadvantaged in America who have historically suffered from systematic discrimination. Consequently, Federal, state and local governments have mounted special programs requiring employers and public and private institutions and corporations which receive government funds to undertake Affirmative Action programs that would recruit, train and upgrade those who have been historically disadvantaged or discriminated against.

The American Jewish Committee believes that such efforts are in accord with the American tradition of giving special assistance to categories of people on whom society has imposed hardship and injustice or who have special needs that could not otherwise be met.

The principle of non-discrimination requires no definition. Affirmative action, however, does require spelling out, and the following are some of the basic conditions of such a program:

A) Special efforts to identify and recruit qualified or qualifiable members of previously excluded groups for job openings which become available. This means going beyond the referral sources traditionally used, and especially employing all those community resources that reach out to members of groups previously excluded.

B) Programs to help the potentially qualifiable become qualified, including tutoring, apprenticeship and in-service training programs, and other special efforts. These should be meshed with job-placement programs for successful trainees.

C) Continued review of all tests to make sure they are completely relevant to the job and as free as possible from cultural or other bias, at the same time maintaining and strengthening objective selection standards and criteria.

D) A continuing review of all jobs to make sure that the essential prerequisites for them are still valid. In some jobs this may mean that some kinds of academic pre-job requirements should be dropped. In other jobs, it may mean that demonstrated experience and ability to work with the minority population should be taken into account. However, we reject the concept that belonging to a particular group is an absolute qualification for any position.

(over)

E) Within the context of the affirmative action principle, the granting of special consideration to those applicants from among those discriminated against or disadvantaged who are substantially equal in qualifications to others being considered.

F) A program of continuous dissemination and communication within the employer organization of the objectives and procedures of the Affirmative Action program, particularly to those holding positions of responsibility.

In higher education, also, the affirmative action principle requires: (a) scrutiny of admission tests and standards for admission to make sure they contain no cultural or other bias; (b) special recruitment programs to identify and bring into the student bodies members of disadvantaged groups; and (c) special remedial education programs so as to enable those who need such assistance to meet the existing requirements for graduation and for admission into graduate schools.

We believe that the above programs are essential to enable members of disadvantaged groups to compete on an equal basis within the system. They deserve the highest priority in the allocation of resources. The American people must be prepared to make the investment necessary to achieve this end.

* * * * *

The search for means of assuring the effectiveness of affirmative action programs has led to demands for the imposition of quota systems. However, the use of quotas to give members of disadvantaged groups special consideration would undermine the concept of individual merit and the principle of equal opportunity itself. We therefore completely reject the concept of quotas. They are wrong in principle, bad in practice, destructive of individual rights and contrary to the best interests of all Americans, including the disadvantaged.

Such quotas have become the actual practice on numerous occasions as a result of improper and unauthorized application of "goals and timetables" as actual quota systems, that is, allocation of given numbers or percentages of positions for one or more particular group. The use of specific numerical goals and timetables must not be permitted to disguise a de facto quota system. On the other hand, the opposition to quotas must not be converted into a blind opposition to goals and timetables. We believe that carefully and sensitively developed goals and timetables can be an effective means of monitoring the effectiveness of an Affirmative Action program.

During the past few years, official pronouncements and regulations of the principal Federal agencies have included assurances that numerical goals not be allowed to be applied in such a fashion as to, in fact, result in the imposition of quotas. Adherence to these official criteria has not always been adequate. We therefore urge that the new Administration take appropriate steps to make official policy one that clearly differentiates between good-faith goals and de facto quotas and that this be made absolutely clear to all those responsible for carrying out Federal affirmative action programs. Such programs will continue to have the closest scrutiny of the American Jewish Committee.

We recognize that the use of numerical data and statistical techniques may be necessary to assure the effectiveness of Affirmative Action programs. To help safeguard that such measurement techniques do not result in the kinds of abuses that have brought protests in the past, we offer the following guidelines:

- 1) The procedures and standards must be clearly spelled out by the enforcing agency and made public in advance of being put into effect.
- 2) Quantitative measurements should be used only as management tools to assess the over-all effectiveness of the programs and the progress achieved, taking into account the availability of qualified or qualifiable talent within the area or job market, which will vary with the different occupations and professions. In so doing the use of the principle of proportional representation must not be permitted.
- 3) Periodic aggregate enumerations of work forces, student bodies, etc., may be used as bases for evaluating and effectuating compliance with Affirmative Action policies, provided, however, that: (a) questions as to race, color, ethnicity, nativity or religion do not appear on application forms; (b) individuals are at no time required to identify themselves by any of the foregoing; and (c) no records are maintained by an employer or educational institution of an individual's race, religion or ethnic origin.
- 4) Government has the responsibility to vigorously enforce Affirmative Action programs. It has equal responsibility to prevent abuses in them. Accordingly it should build into the programs appropriate safeguards and provisions for periodic review which meet both these responsibilities. In addition, every affirmative action program should also be subject to periodic review to ascertain whether it has attained and maintained its goals with such consistency and reliability that it is clear that continuance of the program as such is no longer required.
- 5) There should be effective and speedy grievance procedures so as to permit redress to an individual who claims either discrimination or "reverse discrimination" by the administrative abuse of the program. (One such procedure, the appointment of an ombudsman, has been incorporated into the HEW guidelines.) Certainly, no one who is performing satisfactorily should be dismissed to make room for a member of a previously disadvantaged group.

The responsibility for monitoring adherence to the foregoing guidelines rests not only with government but with business and private organizations as well.

The above principles, procedures and guidelines for Affirmative Action are essential for the full achievement of equality of opportunity for all Americans--an objective to which the American Jewish Committee remains deeply committed.

(over)

We must, at the same time, urge the creation and furtherance of national policies and programs that would greatly expand employment and educational opportunities for individuals of all groups and thus diminish the intense competition for scarce existing opportunities.

Adopted at the
71st Annual Meeting
Waldorf Astoria Hotel
May 14, 1977

77-100-106

THE WHITE HOUSE
WASHINGTON

October 27, 1977

Hamilton Jordan

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

RE: REPLY TO ARNOLD SALTZMAN
CONCERNING ECONOMY

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
/		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

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*Ham -
prepare
reply
J*



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THE SEAGRAVE CORPORATION

350 FIFTH AVENUE • NEW YORK, N. Y. 10001 • (212) 594-1870

Office of the Chairman

October 21, 1977

The Honorable Jimmy Carter
President of the United States
The White House
Washington, D.C.

Dear Mr. President:

Last Friday, at the reception of the National Finance Council, you suggested that I write directly to you on the matter we began to discuss. We concurred that some of our national economic "game plans" are not working and that the problem of getting your energy program into place has been more difficult than it should be. To encourage you to read further, I am enclosing a letter which Mike Mansfield had Fritz Mondale hand carry directly to you.

1 - Over the last several years -- and for much of that period at the specific behest of the Congress -- I had been searching for ways to improve national economic policy-making to provide greater foresight and greater integration (instead of policy in bits and pieces). Aside from the structural changes that need to be made within the Executive branch itself, we must also find a way to persuade the Congress and the American people of the need for specific action before legislation has to be jammed through. This can be done.

2 - More immediately, we are faced with the need to get an energy program legislated different from what the Senate has envisaged. We also have an unfavorable balance of trade which is much more serious than has been understood both within the Administration and outside of it, and steadily saps our economic well-being. I, therefore, propose that you switch your strategy of pounding primarily at shortages of energy, and concentrate much more strongly on the necessity of cutting back our imports of petroleum to stop the erosion of the American dollar, -- and what it means directly to a businessman, to a worker.

The Honorable Jimmy Carter
October 21, 1977
Page Two

You inherited a terrible mess because of previous inaction. The American people are not sufficiently frightened about energy shortages and it takes more time to educate them than you presently have. This is particularly true when the oil companies counter with propaganda that still higher prices would provide much greater supply. In my view, this is a great opportunity to try to tackle two major problems at the same time, energy and foreign trade imbalance. That connection is obvious, demonstrable, and could sell. Many in your Administration have avoided expressing concern about the unfavorable trade balance. They are mistaken --and there is no place to hide in any case.

3 - As an aside, trying to patch up pressure points piece by piece - such as textiles, shoes, leather, electronics, steel - and tomorrow what? -- urgently suggests the need for a review of our foreign trade policy on a coordinated structural basis.

4 - The differences between the Fed and the Administration are largely a product of relying too much on fiscal and monetary policies as economic solutions instead of sectoral and regional pinpointing. In a larger sense, our governmental institutions and strategy have not responded promptly or adequately to the economic changes in our nation and in the world since 1960. We are backing into the future, stumbling as we go.

I have supported your candidacy and your Administration financially and with whatever time was asked. I believe your Administration may be our last best hope to get our country back on the track. I respect your courage and your intelligence. I would like to consult with you in greater specificity. I do not know where else to find the openness of mind, the authority, and the freedom from ties to the past.

Sincerely yours,



Arnold A. Saltzman

Enclosure

United States Senate
Office of the Majority Leader
Washington, D.C. 20510

November 10, 1976

Honorable Jimmy Carter
President-Elect
Plains, Georgia

Dear Governor:

I am writing to put before you the name of Arnold A. Saltzman, Chairman and Director of the Seagrave Corporation of New York City. Mr. Saltzman has headed the firm for many years and has also served the United States Government in a number of capacities. Presently, for example, he is Chairman of the Advisory Committee of the Commission on Supplies and Shortages.

Mr. Saltzman is well-known among members of Congress, particularly on the Democratic side. He first came to my personal attention several years ago when I read an analysis which he had written on the wider implications of the petroleum shortage which was precipitated by the Arab boycott. The analysis demonstrated a rare depth of understanding of the nation's need for a rational system of foresight in dealing with basic problems, rather than the wasteful hit or miss, crisis-action and forget syndromes which have long been characteristic of so much of the federal approach.

Over the years, I have come to know Arnold Saltzman, his capabilities and his character, finding the former exceptional and varied and the latter unimpeachable. His ability to project a concept of the national interest in a long range and interrelated pattern, I have found to be particularly impressive.

Mr. Saltzman has indicated to me his desire to leave business and serve the nation in a Democratic Administration. In my judgment, he is fully qualified to assume federal responsibilities of the most exacting nature and on the highest levels of trust. I believe that he would be eminently suitable to serve in executive posts in the Department of State, as for example, that of Under-Secretary for Economic Affairs. I am confident that, in such a capacity, he would reflect great credit on the incoming administration and on the nation.

Honorable Jimmy Carter

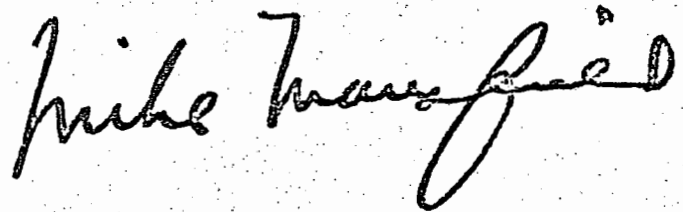
2

November 10, 1976

Enclosed herewith is a biographical sketch of Mr. Saltzman and a copy of a preliminary report which he recently prepared at my request in connection with his work as chairman of the Advisory Committee of the Commission on Supplies and Shortages. It affords some indication of his competence.

I commend Arnold Saltzman to your attention without reservation.

Sincerely,

A handwritten signature in dark ink, reading "Mike Mansfield". The signature is written in a cursive, flowing style. The first name "Mike" is written in a simple, slightly stylized cursive. The last name "Mansfield" is more elaborate, with a large, sweeping "M" and a long, horizontal stroke extending from the "f" across the rest of the name. The signature is positioned to the right of the word "Sincerely,".

Enclosures

THE WHITE HOUSE
WASHINGTON

October 27, 1977

Zbig Brzezinski

The attached was returned in the President's outbox and is forwarded to you for appropriate handling. The signed original has been given to Bob Linder for delivery to Congress.

Rick Hutcheson

RE: REPORT TO THE CONGRESS ON CYPRUS

cc: Bob Linder

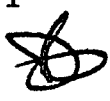
MEMORANDUM

THE WHITE HOUSE
WASHINGTON

ACTION

October 27, 1977

3/19-
Let's move
on C Clifford's
next trip
J

MEMORANDUM FOR: THE PRESIDENT
FROM: DAVID AARON 
SUBJECT: Report to the Congress on Cyprus

A 60-day report to the Congress on Cyprus negotiations is again due. State prepared a draft, in which we made a few editorial changes, which sums up the developments that have occurred during the past two months and concludes on a moderately optimistic note.

Jim Fallows has cleared the message.

RECOMMENDATION:

That you transmit the attached report to the Congress (Tab A).

AGREE ☒DISAGREE ☐

Attachment
Tab A



TWO SIGNATURES REQUESTED

TO THE CONGRESS OF THE UNITED STATES:

Pursuant to Public Law 94-104, this report describes the efforts that the United States has made over the past sixty days to promote a settlement on Cyprus.

There have been no further intercommunal talks under U.N. auspices since the submission of my last report to the Congress in August, and none are presently scheduled. This negotiating pause could easily last for several months more, through the forthcoming Greek elections in November and the Cyprus Presidential elections in February. However, we have not allowed ourselves to proceed on this assumption. Instead, we have continued actively to encourage a resumption of the intercommunal talks and, more importantly, have sought to ensure that, once these do reconvene, there will be meaningful discussion of the major unresolved issues.

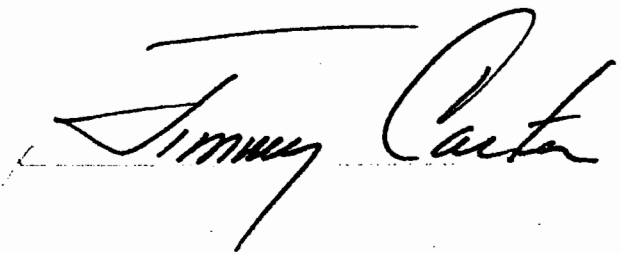
We directed our attention to this goal during the special U.N. Security Council consideration of the Cyprus issue requested by the Government of Cyprus in late August and early September. A consensus resolution eventually emerged that was both equitable and nonpolemical, which called upon the parties to avoid provocative acts and resume intercommunal negotiations.

At the same time, we consulted with the Greek and Turkish governments to set the stage for a series of meetings in New York in which Secretary Vance and my Special Representative, Clark Clifford, met with President Kyprianou and Foreign Minister Christofides of Cyprus and with Foreign Ministers Bitsios and Caglayangil of Greece and Turkey. These New York meetings have encouraged us to believe that progress on Cyprus may be possible in the months ahead. We noted a growing recognition in the region that a just solution to the Cyprus issue will serve the long-term interests of all the nations in the Eastern Mediterranean.

Secretary Vance also met in New York with U.N. Secretary General Waldheim and with the Foreign Ministers of Great Britain, the Federal Republic of Germany, and other interested Western allies. All view the situation in the Eastern Mediterranean much as we do, and urgently wish to see progress towards a Cyprus settlement.

So too do the Cypriots. While in New York for the U.N. General Assembly, I had a useful discussion with Cyprus President Spyros Kyprianou. I assured him that the United States sincerely wishes to help the people of Cyprus find a just and lasting settlement, and that we stand ready, as in the past, to support the current U.N. negotiating effort in any way we can. President Kyprianou in turn assured me of his people's earnest desire for a settlement and of their hope that the United States can help bring this about.

In sum, therefore, I believe that I can record here -- as I have not been able to do in the last two such reports -- a cautious anticipation that movement toward meaningful Cyprus negotiations may soon be possible.

A handwritten signature in dark ink, reading "Jimmy Carter". The signature is written in a cursive, flowing style. The first name "Jimmy" is written with a large, sweeping initial "J". The last name "Carter" is written with a large, sweeping initial "C". The signature is positioned above a horizontal line.

THE WHITE HOUSE,

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

tim--

although the medical office has
scheduled yellow fever for 10:30 on
friday and 11:30 next wednesday...
one bottle is enough for 10
immunizations....so that if the
president is scheduled on a
friday afternoon (which i'd suggest)
you, i and some others can get ours
then.

please let me know when we're
doing whatever.

thanks -- susan

(per president's note....i don't
think he realizes how large the
"whole group" is!)

Wednesday, 10/12/77

ok -
proceed -
maybe for
whole
group
J

Mr. President--

Although your smallpox vaccination is up-to-date, you will need immunizations for yellow fever, cholera, typhoid, gamma globulin and malarial. (The latter two will be given one week prior to departure.)

Since the typhoid immunization frequently has temporary side effects of discomfort, I thought you might want to go ahead and have it on a Friday within the next week or two, instead of waiting 'til just before the trip.

The yellow fever vaccine must be given within one hour of opening -- hence must be scheduled in advance.

I would like to ask Tim to schedule your shots for some Friday within the next week or so, if this is alright with you.

Also, do you recall if you've had a tetanus shot within the last ten years? (The shot record I have for you only goes back to 1975, and has no indication of such.)

I believe
50

Thanks -- Susan

Electrostatic Copy Made
for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

October 27, 1977

Bob Lipshutz

The attached letter was returned
in the President's outbox today.
As your requested, it is returned
to you for delivery.

Rick Hutcheson


LETTER TO ALTANTA BAR ASSOCIATION
AND CORNELL CLUB OF ATLANTA
RE: JUDGE SOL CLARK

THE WHITE HOUSE

WASHINGTON

October 26, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Bob Lipshutz 

I recommend that you sign the attached letter, which I believe is self-explanatory.

Please return the letter to me and I will have it delivered to the proper parties in Atlanta.

Electrostatic Copy Made
for Preservation Purposes

THE WHITE HOUSE

WASHINGTON

October 26, 1977

To The Atlanta Bar Association
and
To The Cornell Club of Atlanta

I commend you for the dinner which you are co-sponsoring in Atlanta on November 3, 1977, ~~for the purpose of~~ honoring Judge Sol Clark of Savannah.

Although it will not be possible for me to be present personally, by this letter I ~~do wish~~ ^{participate} ~~would like~~ to join with you and the many other individuals who are ~~joining~~ in this tribute to an outstanding human being, lawyer, and jurist.

Among ~~all of~~ the appointments which it has ~~been my privilege to make as Governor and as President,~~ ^{I have made in the past 6 years,} none has given me greater pride and satisfaction than my appointment of Sol Clark as ~~a~~ judge of the Court of Appeals of the State of Georgia.

Sincerely,

The Atlanta Bar Association
Fulton County Court House
Atlanta, Georgia

THE WHITE HOUSE

WASHINGTON

October 26, 1977

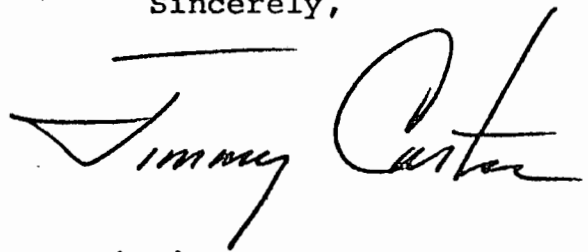
To The Atlanta Bar Association
and The Cornell Club of Atlanta

I commend you for the dinner you are co-sponsoring in Atlanta on November 3, 1977, honoring Judge Sol Clark of Savannah.

Although it will not be possible for me to be present personally, by this letter I would like to join with you and the many others who are participating in this tribute to an outstanding human being, lawyer, and jurist.

Among the appointments which I have made in the past six years, none has given me greater pride and satisfaction than my appointment of Sol Clark as judge of the Court of Appeals of the State of Georgia.

Sincerely,

A handwritten signature in black ink, reading "Jimmy Carter". The signature is written in a cursive style with a large, sweeping "C" for "Carter".

The Atlanta Bar Association
Fulton County Court House
Atlanta, Georgia

October 27, 1977

I am pleased to greet the delegates at this meeting of the Directors and Members of the US-USSR Trade and Economic Council.

In the few years since its inception, this Council has become a catalyst in the expansion of US-Soviet trade relations and has provided a much needed forum for the resolution of problems and for the discussion of new ideas. My Administration firmly supports expanded bilateral trade as an important factor in promoting world peace and goodwill.

I hope that the Council will continue its efforts to strengthen the commercial and economic ties between our two countries, and that this meeting will be a highly productive one for all concerned.

RECEIVED
OCT 28 1977

Statement sent to:

The Honorable W. Michael Blumenthal
The Secretary of the Treasury
Washington, D.C.

JC:Treasury/Coolidge:rks ✓

cc: S.Clough/J.Fallows/R.Hutcheson(FYI)/Christine Dodson(FYI)/
E.Coolidge/CF

EVENT: NOVEMBER 14 in LA, California
Approved by NSC

THE WHITE HOUSE
WASHINGTON

Date: October 20, 1977

Done message sent (attached copy)
MEMORANDUM

FOR ACTION:

Jim Fallows

FOR INFORMATION:

Jack Watson *re*
Zbig Brzezinski

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Blumenthal memo dated 10/19 re Presidential Message to the
U.S. - U.S.S.R. Trade and Economic Council

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 12:00 Noon

DAY: Saturday

DATE: October 22, 1977

ACTION REQUESTED:

Other: ☒ Your comments

STAFF RESPONSE:

☐ I concur.
Please note other comments below:

☐ No comment.

*Bill - Elissa Hersh
shared have disposed
of this - check
(see if state
objects)*

*10/20 Elissa returned it to
PSC for their review.
They will return to us.
10/26 Dickson's phone work
for it; will forward
to us.*

*no action ref 24
Cong from action by 611*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
	/	WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

		ARAGON
		BOURNE
	/	BRZEZINSKI
		BUTLER
		CARP
		H. CARTER
		CLOUGH
	/	FALLOWS
		FIRST LADY
		HARDEN
		HUTCHESON
		JAGODA
		KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN



THE SECRETARY OF THE TREASURY
WASHINGTON

ACTION

October 19, 1977

MEMORANDUM FOR THE PRESIDENT

Subject: Presidential Message to the U.S.-U.S.S.R.
Trade and Economic Council

Attached for your approval is a draft of a Presidential message I would like to deliver to the upcoming meeting of the U.S.-U.S.S.R. Trade and Economic Council, which I will be attending on November 14-15 in Los Angeles. The Council's membership, including representatives of the American business community and their Soviet counterparts, place great importance on a Presidential message as a sign of good will on the part of the U.S. Government. It will be seen as an assurance of our intention to continue to support the expansion of American-Soviet commercial and economic relations.

Recommendation: That you approve the attached message from you to the upcoming meeting of the U.S.-U.S.S.R. Trade and Economic Council.

W. Michael Blumenthal

Attachment

MESSAGE TO THE
US-USSR TRADE AND ECONOMIC COUNCIL
LOS ANGELES, CALIFORNIA
NOVEMBER 14, 1977

I am pleased to send greetings to this meeting of the Directors and Members of the US-USSR Trade and Economic Council. The Council, in the few years since its inception, has been a catalyst in the expansion of US-Soviet trade relations and has provided a much needed forum for the resolution of problems and the discussion of new ideas. My Administration continues to support expanded bilateral trade as an important factor in the strengthening of world peace.

I hope that the Council will continue its efforts to expand our commercial and economic ties and that this meeting will be productive in that regard.

Date October 20, 1977

MEMORANDUM

FOR ACTION:

Jim Fallows

FOR INFORMATION:

~~Jack Watson~~
Zbig Brzezinski

1977 OCT 20 PM 2 47

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Blumenthal memo dated 10/19 re Presidential Message to
U.S. - U.S.S.R. Trade and Economic CouncilYOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 12:00 Noon

DAY: Saturday

DATE: October 22, 1977

ACTION REQUESTED:

☒ Your comments
Other:

STAFF RESPONSE:

☐ I concur.
Please note other comments below:☒ No comment.**PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.**

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)